



FACT SHEET

Frederick County Government

Nursing Care Services

The Frederick Board of County Commissioners issued a [request for proposals](#) (RFP) for the sale, lease or disposition of the [Citizens Care & Rehabilitation Center \(CCRC\)](#) and [Montevue Assisted Living \(MAL\)](#) facility on January 24, 2013. The goal of the RFP is to explore options available to privatize operations in order to eliminate the county's budget subsidy this year and in future budgets.

Frederick County continues to experience challenging economic times. With limited budget resources, a structural deficit, increasing service costs, possible cuts to Medicaid and Medicare revenues, expected federal and state reductions and citizen expectations for the county to focus primarily on "core services" (public safety, education, roads, transportation, bridges, solid waste management, etc.), the County Commissioners believe now is the right time to explore privatization of the shared facility at 1910/1920 Rosemont Avenue, Frederick, MD.

In addition, the contract for the company currently managing the facility is due to expire on June 30, 2013, so now is an opportune time to explore options to privatize.

Issues Related to Frederick County's Involvement in the Nursing Care Service:

- Was the Montevue property donated for the exclusive use of a nursing care facility? The land was not donated. Frederick County paid \$5,313.75 for approximately 90 acres in the early 19th century to Elias Brunner.
- Would a legal challenge to selling the property stand up in court? In 1981 the Carroll Park Manor Community Association took the county to court over plans to build an emergency communications center on the property. They were unsuccessful in their challenge.
- Does the Montevue deed restrict sale of the property? A deed from 1828 states that the land on which the CCRC and MAL facility stands should be used for the "benefit of the poor." According to Frederick County's attorney, the 200-year-old document cannot legally prevent the county from selling the facility.
- Would residents be put out of the facility if it was sold? As to any sale, lease or other disposition of the facility, no residents would be put on the street – that is against the law.
- What is the approximate cost to provide services for the Montevue residents? The average cost is \$1,000 per week, or \$52,000/year per person.
- What Maryland counties operate a nursing home facility? Only Frederick County and Wicomico County. Alleghany County sold its nursing home in 2009. The Wicomico County facility receives no county funding.

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- What is the cost to subsidize the nursing care and assisted living operations? The county has funded over \$53 million since 2000; \$4.2 million is budgeted for FY 2013. Currently, the county owes approximately \$31 million on the new building, which opened in July 2012 for Citizens and Montevue residents. Operations have not been self-sustaining since the 1990's. The cost of construction was \$38 million and the current yearly debt service is \$2.2 million.
- Does Citizens and Montevue only serve Frederick County residents? Citizens and Montevue receive federal subsidies, so they do accept residents from outside of Frederick County.
- Who is managing the RFP process for the county? An independent real estate broker, Marcus & Millichap, who specializes in assisted living and skilled nursing facility mergers and acquisitions, has been appointed. A majority of the County Commissioners are seeking to address what has been debated for many years – could the private sector manage the skilled nursing and assisted living business more efficiently than local government?
- What happens to proposals received through the RFP process? A committee, with the real estate broker's guidance, will review proposals submitted and make recommendations to the County Commissioners. The committee is composed of the following: County Manager Lori Depies, CPA; Director Erin White, CPA, and Financial Services Manager Susan Blum, CPA, Finance Division; Director Diane George, Procurement & Contracting Department; Director Mitch Hose, Human Resources; Assistant County Attorney Richard McCain and Citizens Board of Trustees Member Vincent Parmesano.
- Will there be a public hearing if there is a potential sale, lease or other disposition of the facility? Yes, the Board of County Commissioners will hold a public hearing to receive comments and feedback prior to making a final determination.
- What other services does Frederick County provide for seniors? For a listing of senior programs and initiatives such as the Senior Tax Credit, Frederick County Health Department programs, senior transportation and TransIT services, Department of Aging programs and activities, prescription discount card, Housing Office subsidies and Sheriff's Office victim's services, visit: www.FrederickCountyMD.gov/seniorguide.
- Where can I find out more information on the privatization process? For additional information, visit www.FrederickCountyMD.gov/CCRC-MALoptions. To provide feedback, contact the Frederick Board of County Commissioners via e-mail at CountyCommissioners@FrederickCountyMD.gov or 301-600-1100.